BlueAlpha FR Equity Fund - Class A

Quarter 2 2026

BLUEALPHA
INVESTMENT MANAGEMENT

Performance Period	Fund Return	Category Average
1 Year	8.3%	15.1%
3 Years (annualised)	12.1%	14.5%
5 Years (annualised)	9.7%	12.4%
10 Years (annualised)	8.4%	9.0%
Since Inception (annualised)	8.9%	8.1%

Performance is reported for the A Class, net of fees
Sector Average: SA Equity General
Inception date: July 2014

Asset & Sector Allocation	
Total Net Equity	98%
Cash	2%
Domestic Equity	74%
Offshore Equity	24%
Basic Materials	19%
Consumer Discretionary	5%
Consumer Staples	10%
Financials	28%
Technology	24%
Industrials	7%
Real Estate	1%
Telecommunications	4%

Top 5 Domestic Holdings	Top 5 Global Holdings
FirstRand	Amphenol
Capitec Bank	Alphabet Inc Cl- A
Standard Bank	Broadcom
Naspers	United Rentals
Gold Fields	Vertex

Portfolio Manager: Walter Jacobs / Gary Quinn
Commentary for the Quarter ended June 2026

Performance

The fund ended the quarter at -0.7% vs the category at -0.2%, for the year the fund returned 8.3% vs the category at the 15.1%.

Macro

Q2 2026 will be remembered as a quarter in which headline breadth masked underlying concentration. MSCI World's +13.3% advance, and the S&P 500's +14.9%, sit atop a market where Momentum (+48.4%) and Enhanced Value (+39.0%) did the heavy lifting while Min Volatility (+2.8%) and Equal Weighted (+9.9%) barely participated. That divergence is the quarter's central risk: portfolios overweight the AI/semiconductor complex — SOX +88%, KOSPI +64% — have been paid handsomely, but the same positioning is now crowded, and June's broad-based pullback (MSCI World -0.8%, Magnificent 7 -8.9%) is an early signal that momentum can reverse quickly once conditions shift

The Iran ceasefire was the quarter's true macro catalyst, not central bank policy: the Strait of Hormuz resolution collapsed Brent by -41.8% and removed an energy-shock tail risk that had been priced into inflation expectations. That, in turn, gave the Fed room to hold despite a still-hawkish tilt, even as the ECB hiked for the first time since 2023 and the SARB pushed the repo rate to 7.00% against sticky domestic inflation. South Africa is a genuine bright spot on the quarterly lens: ALBI's +7.9% return and a 72bp yield compression reflect real risk appetite for SA duration, and the rand's +4.1% quarterly appreciation (27four convention) should not be read through June's -1.0% wobble alone. China's -7.6% quarterly decline and bitcoin's -14% Q2 print (-30.1% YTD) confirm that not all growth-sensitive or "risk" assets participated in the rally — this was a selective, factor-driven advance, not a broad risk-on regime, and should be sized accordingly across books.

Portfolio

Top contributors for the quarter included Capitec, Firstrand, United Rentals, MTN and Alphabet while Goldfields, Anglogold, Impala,Northam and Valterra Platinum were detractors.
During the quarter, we bought into Amphenol, and sold out of Richmont.

Our approach

Our strategic asset allocation process, which focuses on investing in growth assets with a proven real return profile, remains central to the portfolio's structure for 2026. In terms of equity instruments, our investment philosophy prioritizes sustainable growth in real cash earnings over time. Companies are expected to generate high cash returns relative to their capital requirements and to reinvest effectively. Although valuation risks remain, our disciplined approach has resulted in long-term performance.

Tel: +27 (21) 409 7100
Email: info@bluealphafunds.com
11th Floor Convention Tower cnr. Heerengracht Street & Walter Sisulu Avenue Cape Town 8001
www.bluealphafunds.com

BlueAlpha Investment Management (Pty) Ltd Reg. No. 2003/016855/07
Directors: Richard Pitt, Sandile Sokhela, Peggy-Sue Khumalo